

**Nebraska Universal Service Advisory Board Meeting
Public Service Commission Library
The Atrium, 1200 "N" Street
Lincoln, Nebraska
April 28, 2003**

The Nebraska Universal Service Advisory Board met April 28, 2003 at the Public Service Commission Library, 300 The Atrium, 1200 N Street in Lincoln, Nebraska.

Deonne Bruning, Chair of the Advisory Board, called the meeting to order at 1:32 pm. The following board members were present:

Anne Byers;
Deonne Bruning;
Charles Fast;
Dick Fleming;
Bob Lanphier;
Roger Keetle;
Rod Wagner;
Alan Wibbels.

Absent from the meeting was Professor David Rosenbaum.

Present from the Public Service Commission were Jeff Pursley, Tyler Frost, Shana Knutson, and Brandy Zierott.

The Meeting was opened with the introduction of members.

Approval of Minutes from March 14, 2003.

Motion by Mr. Fleming and Seconded by Mr. Keetle. Upon agreement of all board members present, with the exception of Anne Byers who abstained, minutes were approved as presented and Motion carried.

Update of Fund Status and Setting the Surcharge Rate for Fiscal Year 2003/2004.

Jeff Pursley stated that the Fund balance trends are consistent with previous projections. \$3.5 million will be used for additional access charge reductions in the year 2004. The previously anticipated surplus is a result of those funds earmarked for the Lifeline/Link-Up Program. With the development of a permanent USF mechanism in docket NUSF-26, currently pending before the Commission, Mr. Pursley indicated that he will recommend to the Commission that the surcharge rate be kept at 6.95% for the Fiscal Year 2003/2004.

Mr. Lanphier asked Mr. Pursley about the current Federal funding trends, and the effect on a current Bill before Congress. Mr. Pursley updated the Board on current Federal support calculations. Mr. Lanphier then asked how much of the Federal USF support would be coming to Nebraska under the pending federal legislation. Mr. Pursley stated that the current estimates

are about \$9.0 million, and to the extent this or any Federal support is designed to offset State costs, such support should reduce the amount of NUSF support.

Mrs. Bruning then asked if it was possible that a change in the surcharge rate would need to be revisited before July, 2004. Mr. Pursley stated that this may be necessary dependant upon the Congressional Bill outcome and the completion of NUSF-26.

Motion by Mr. Lanphier and Seconded by Dick Fleming to recommend to the Commission to keep the Universal Service Fund surcharge rate at 6.95% for Fiscal Year 2003/2004. Upon agreement of all members present, the motion carried, and a letter of recommendation will be sent from the Board to the Commission.

Update on Lifeline/Link-Up Program.

Jeff Pursley reported that the Commission had accepted the name change of the program from Lifeline/Link-Up to the Nebraska Telephone Assistance Program (NTAP). Three new forms were presented to the Board, all of which will be translated into Spanish. Mr. Pursley suggested that the new forms start to be used now to test the applicant's ease of use and understanding. A list of Social Security numbers from the program's current database has been given to HHS (Health and Human Services). HHS will then give a more solid quote on the cost of mailing the new forms. Mr. Pursley is currently working with the Commission's Executive Director to legally assess the confidentiality/security issue in allowing AARP to assist in the processing of NTAP applications.

Telephone Penetration Percentages.

Mr. Pursley discussed the FCC Subscribership Report. Since March, 2000, there has been a decline in telephone penetration in the State while the national trend has increased. The possible decline could be attributed to the report's sampling not specifically designating "telephone service" as landline and wireless. Another factor may be the increase in households with incomes under \$10,000/year and the current decline of the economy.

Other Business.

Mrs. Bruning asked for any additional business of the Board to be announced. There was none. Mrs. Bruning then asked for suggestions from the Board as to the date of the next meeting and possible agenda items. Jeff Pursley suggested that the next meeting be held after June 2, 2003, when the Telehealth plan is due and after the June 18, 2003 Hearing in NUSF-26. A meeting held in late July or August, would enable the Board to be updated regarding activity with both matters.

Adjourn

Motion by Mr. Fast and Seconded by Mr. Wagner to adjourn. Meeting adjourned at 2:00 pm.